

American Recovery and Reinvestment Act (ARRA) February 17, 2010



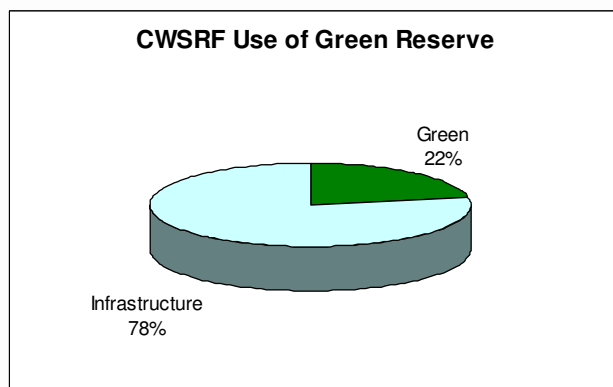
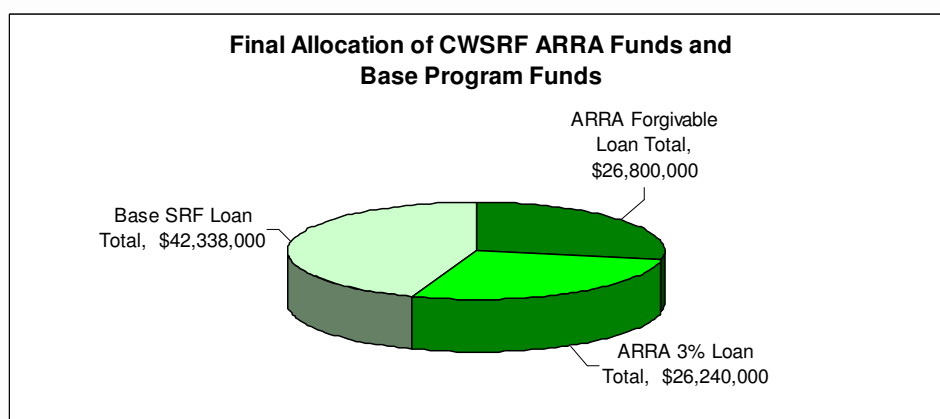
Iowa Allocates All ARRA Funds by February 17 Deadline

The State Revolving Fund was given a deadline by Congress to allocate all ARRA funds. As of February 17, 2010 all of the Drinking Water SRF and Clean Water SRF ARRA funds have been allocated. Iowa has met the ARRA deadline of having all projects under contract or under construction with a signed loan agreement by February 17, 2010.

Clean Water SRF Status

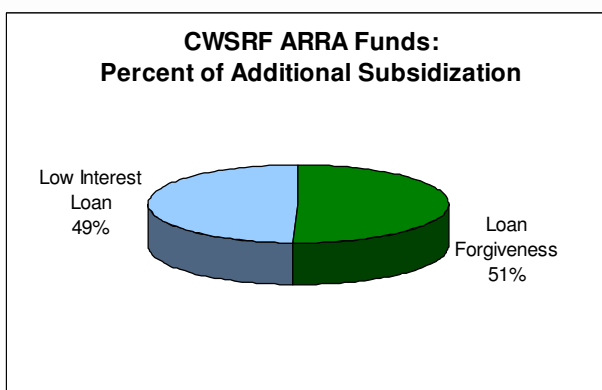
Iowa's ARRA allocation was \$53,040,000. The chart below shows the status of the CWSRF ARRA funding allotment. The ARRA funds have been leveraged to generate a total of \$95.4 million worth of water quality improvement. All projects are under contract or under construction and are being completed using a combination of ARRA funds and base SRF program funds.

CWSRF infrastructure projects include construction of new wastewater treatment facilities, upgrade of sewer systems, correction of combined sewer overflows, and storm water management. These projects will help communities better treat sewage, protect water quality, and meet the challenges of increased water quality standards.



Twenty percent of the CWSRF ARRA funds must be used for "green" projects. Iowa's final distribution will be 22% for green. Green projects include energy efficiency, green storm water infrastructure, and an environmentally innovative project. All green projects will receive 20% of their loan amounts as principal forgiveness. These projects will boost water quality protection, make facilities more efficient, and create models for future efforts.

Fifty percent of the ARRA funds must be provided as "additional subsidization" in the form of grants, negative interest loans, or principal forgiveness. Iowa is using principal forgiveness. Each CWSRF ARRA recipient is receiving between 20% and 40% of their SRF loan amount as principal forgiveness, meaning that they will not need to repay it. Many of these projects would have been difficult for communities to afford without the ARRA loan forgiveness.

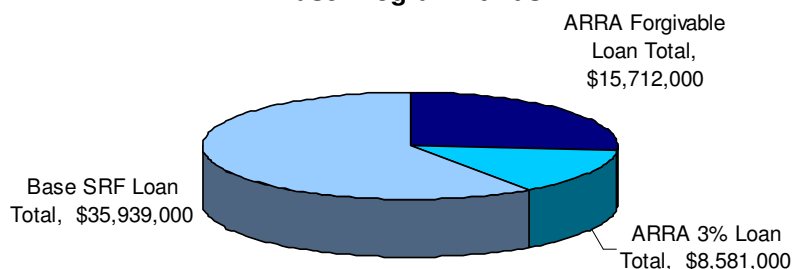




Drinking Water SRF Status

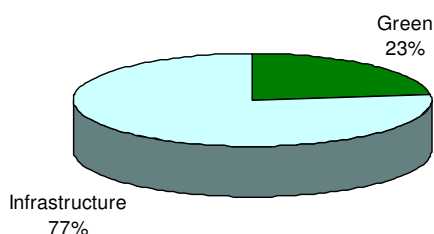
Iowa's ARRA allocation was \$24,293,000. The chart below shows the status of the DWSRF ARRA funding allotment. The ARRA funds have been leveraged to generate a total of \$60.2 million worth of water system improvements. All projects are under contract or under construction and are being completed using a combination of ARRA funds and base SRF program funds.

Final Allocation of DWSRF ARRA Funds and Base Program Funds



Drinking water infrastructure projects include construction of water treatment facilities, water storage, upgrades of distribution systems, and development of new water sources.

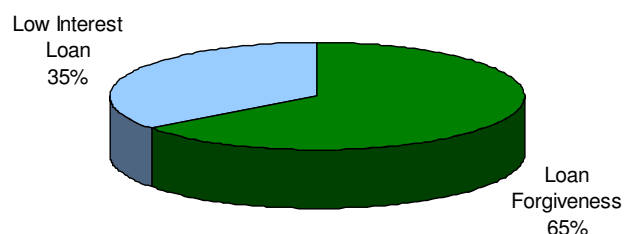
DWSRF Use of Green Reserve



DWSRF must also use 20% of the ARRA funds for "green" projects, including water efficiency and energy efficiency. Iowa's final distribution will be 23% for green. Projects include installation or replacement of water meters, installation of variable frequency drives, and replacement of pumps with high efficiency models. The projects will help communities save dollars by using fewer resources.

Fifty percent of the ARRA funds must be provided as "additional subsidization" in the form of grants, negative interest loans, or principal forgiveness. Iowa is using principal forgiveness. Each DWSRF ARRA recipient is receiving between 20% and 50% of their SRF loan amount as principal forgiveness, meaning that they will not need to repay it. This assistance will help communities provide safe drinking water while keeping user rates lower.

DWSRF ARRA Funds: Percent of Additional Subsidization



The State Revolving Fund is jointly administered by the Iowa Department of Natural Resources and the Iowa Finance Authority. For more information, contact Patti Cale-Finnegan at 515-725-0498 or patti.cale-finnegan@dnr.iowa.gov or go to <http://www.iowadnr.gov/water/srf/stimulus.html>